Education, Pre-distribution and Social Justice
**Education, Pre-distribution and Social Justice**

In today’s global economy, education and skills are the driving forces behind progress. However, 80 million people do not possess the most basic skills needed to succeed in the modern workplace. In the UK context, skills-based inequalities are rising and social mobility is stalling. Society is still largely depicted by the ‘Great Gatsby Curve,’ where a child’s life chances tend to be determined by their parents’ material circumstances. This calls for more effective, pre-distributive intervention in education, skills, parenting, and childcare to boost the relative position of children and young people from low income households. At the same time, despite the increasing numbers of higher educated individuals, many employers often find that graduates do not possess applicable skills required for a job. Universities and the HE sector are required to adapt to both compete in a global higher education market and perform their duties as modern, civic forces contributing to regional growth.

This Policy Network collection of memos, in association with the University of Central Lancashire (UCLan) and the Samuel Lindow Foundation, sets out ideas on the extent of, and the means by which, public policy in education, skills and learning can shape the distribution of pre-tax incomes in a more regionally balanced and socially just way. Over the coming year, Policy Network will continue to build on these ideas and avenues in collaboration with the Samuel Lindow Foundation, working within the UCLan Higher Education Policy Initiative.

**About Policy Network**

As a leading research platform and international network, Policy Network brings together academics, politicians and expert thinkers to critically engage with the policy and political challenges of the 21st century. Through a distinctly collaborative and cross-national approach to research, events and publications, Policy Network work impacts upon debate in the UK, the rest of Europe and the wider world.

**About UCLan Applied Policy Sciences Unit**

The Applied Policy Sciences Unit (APSU) is an independent political science research unit aligned with the Lancashire Law School at the University of Central Lancashire (UCLan). It is based at the UCLan campus at Westlakes Science and Technology Park in West Cumbria. The APSU’s mission is to make an original and independent contribution to policy and its implementation. This unit undertakes academic research, consultancy and discussion in the field of political science, with a distinct focus upon the application of current policy problems.

**About The Samuel Lindow Foundation**

The Samuel Lindow Foundation is an independent educational charity based on the Westlakes Science and Technology Park in West Cumbria in the United Kingdom. The Foundation promotes and encourages the development of education, collaboration and the international exchange of, science and culture, to advance knowledge, understanding, opportunities and the flow of ideas.
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Preface

Rick Wylie

The round table event upon which this collection of papers is based began as a collaborative venture with Roger Liddle and Patrick Diamond of Policy Network, after we welcomed them into our Applied Policy Science unit (APSU) at the University of Central Lancashire. For many years, our applied policy research focused upon regions and communities. More recently, we have turned our focus upon aspirations, poverty and higher education policy. We realise that there are a number of key themes underlying these activities - education, economic development and social justice - and that the global context of individual lives, commerce and higher education have a significant bearing upon them.

Focusing on higher education and the university sector, this round table in collaboration with Policy Network and supported by the SLF followed up on a series of events last year in Cumbria and Preston. The series highlighted the need for new skills and new structures to enable regions to address the globalisation agenda. This collection of papers builds upon these themes, placing at the fore the importance of skills relevant to the contemporary labour market for individual and regional futures as we move towards a global, ‘know-how’ economy.

Education is a social enabler. To successfully compete in the global labour market requires of young people a global perspective and experience – again an activity stretching beyond the campus. Skills are, however, key at individual, regional and national levels. Individuals need skills, and regions - if they are to become and remain competitive – need skilled individuals, as was stressed by EU and OECD representatives at the event. There is, it was argued, a shortage of relevant skills as governments cannot afford the HE provision which individuals, countries and regions need if they are to compete and excel in a global market of mobile labour, capital and goods.

Moreover, the university model is changing. Operating in global networks of knowledge, people, information and markets, HEIs are losing their monopoly on providing and endorsing degree courses. New governance architectures involving multi-sectoral and multinational partnerships, knowledge alliances with industry and new pedagogical models involving periods in work interspersed with periods on campus blur the boundary between the campus, industry and the wider community. Today, higher education is becoming a categorical imperative. Access to a quality HEI should be less a privilege and more of a necessity for individuals, and consequently for regions and nations - but how can policy makers facilitate this?

Education policy is problematic as policymakers are caught between marketisation and the need for broadening participation on the one hand, and on the other, the necessity to fix knowledge and human capital spatially and the operation of universities globally beyond the domain of the nation state. UCLan, like many universities, already operates on a global scale with overseas campuses, which work with multi-sectoral partnerships to facilitate international student mobility and provide a genuinely global student experience. Today there are many degree courses with a cross-disciplinary and international component which facilitate the creation of knowledge and skills for global citizenship prized by employers.
Furthermore, though HE policy is central to regional and national growth, the governance of these institutions is changing as universities like UCLan become globalised institutions with wider participation. The model of a modern, civic university therefore extends beyond the campus, engaging all sectors of the community, and reaches beyond the nation state. The challenge facing policymakers, especially at the regional level, is how to optimise the ability of a university to embed their regions in the global economy, to become a ‘sticky place’ in which human and knowledge capital becomes entrenched in their region which can consequently become a hub within the global flows of information, knowledge, people and capital.

From a social justice standpoint, universities are a key part of that set of institutions which help individuals realise their potential, offer opportunities for people to lead a fulfilling life and be active contributors to their community. From the standpoint of regions looking to become (or remain) nodes on the global network of flows of information, knowledge and capital, universities are key. Their presence greatly enhances the offer and capability of a region, and the optimisation of these linkages should be seen as a key part of a regional economic strategy for equipping individuals with the knowledge and skills required for global citizenship.

Rick Wylie is principal of the Samuel Lindow Foundation and executive director of the UCLan Applied Policy Sciences Unit
Investing in high-quality education is the key for improving the economic and social well-being of people around the world

In today’s world economy, education and skills are the driving forces for progress. Wealth and individual well-being, in turn, depend on nothing more than on what people know and what they can do with what they know. There is no shortcut to equipping people with the right skills and to providing people with the right opportunities to use their skills effectively. And if there’s one lesson the global economy has taught policymakers over the last few years, it’s that we cannot simply bail ourselves out of a crisis, that we cannot solely stimulate ourselves out of a crisis and that we cannot just money print our way out of a crisis. Instead, in today’s world economy, education and skills are the driving forces for progress. Investing in high-quality education will thus be the key for improving the economic and social well-being of people around the world.

1. Higher skill levels provide access to better-paid and more-rewarding jobs

For the first time, the Survey of Adult Skills allows us to directly measure the skills people currently have, not just the qualifications they once obtained. The results show that what people know and what they do with what they know has a major impact on their life chances. On average across countries, the median wage of workers who score at Level 4 or 5 in the literacy test – meaning that they can make complex inferences and evaluate subtle arguments in written texts – is more than 60% higher than the hourly wage of workers who score at or below Level 1 – those who can, at best, read relatively short texts and understand basic vocabulary. Those with poor literacy skills are also more than twice as likely to be unemployed. In short, poor skills severely limit people’s access to better-paid and more rewarding jobs. The rewards associated with numeracy skills tend to be even higher.

It works the same way for nations: the distribution of skills has significant implications for how the benefits of economic growth are shared within societies. Put simply, where large shares of adults have poor skills, it becomes difficult to introduce productivity-enhancing technologies and new ways of working. And that can stall improvements in living standards.

Proficiency in basic skills affects more than earnings and employment. In all countries, adults with lower literacy proficiency are far more likely than those with better literacy skills to report poor health, to perceive themselves as objects rather than actors in political processes, and to have less trust in others. In other words, we can’t develop fair and inclusive policies and engage with all citizens if a lack of proficiency in basic skills prevents people from fully participating in society.

2. 80 million people do not possess the most basic skills needed to succeed in today’s world

The case for acquiring and maintaining literacy skills is clear, but people’s proficiency varies widely. Roughly one in five adults in Japan and Finland reads at the highest levels on our test. In contrast, in Italy and Spain just one in twenty adults is proficient at that level, and more than one in three adults perform at or below the baseline level. And even highly literate nations have significant shallow policies.
areas in their talent pools. Across the 24 countries that took the test, more than 80 million people do not possess the most basic skills needed to succeed in today’s world. On top of that, in the United States, Poland, Germany, Italy and England, a difficult social background often translates into poor literacy skills.

And yet, the Skills Survey shows that some countries have made impressive progress in equipping more people with better skills. Young Koreans, for example, are outperformed only by their Japanese counterparts, while Korea’s 55 to 64 year-olds are among the three lowest-performing groups of this age across all participating countries. The results from Finland tell a similar story. But young Brits and Americans are entering a much more demanding job market with similar literacy and numeracy skills as their compatriots who are retiring. The share of these countries in the global talent pool will shrink significantly over the next decades unless urgent action is taken both to improve schooling and to provide adults with better opportunities to develop and maintain their skills.

3. Time to update and re-define our education qualifications

What the data also show is that actual skill levels often differ markedly from what formal education qualifications suggest. For example, Italy, Spain and the United States rank much higher internationally in the share of young people with tertiary degrees than in the level of literacy or numeracy proficiency among people that age. On average, young Japanese and Dutch high school graduates easily outperform university graduates in some other countries. In fact, in most countries at least a quarter of university graduates do not score higher than Level 2 on our literacy test, and are thus insufficiently equipped for what their jobs demand of them.

Conversely, in Australia, Finland, Japan, the Netherlands and Norway, more than one in four adults without a high school degree have made it to Level 3 in literacy, which shows that people can, indeed, recover from poor initial schooling. Surely there are many reasons why skills and qualifications differ; but these data suggest that we may need to update and re-define our education qualifications.

4. Take note of the promise of high-quality lifelong learning opportunities

We can’t change the past; but we can do something about our future. The Nordic countries, the Netherlands and Canada, for example, have been much better in providing high-quality lifelong learning opportunities, both in and outside the workplace, than other countries. They’ve developed programmes that are relevant to users and flexible, both in content and in how they are delivered. They’ve made information about adult education opportunities easy to find and understand, and they provide recognition and certification of competencies that encourage adult learners to keep learning. They’ve also made skills everybody’s business, with governments, employers, and individuals all engaged.

5. Make the most of a skilled population

All this said, skills are only valuable when they are used effectively, and the Skills Survey shows that some countries are far better than others in making good use of their talent. While the US and England have a limited skills base, they are extracting good value from it. The reverse is true for Japan, where rigid labour-market arrangements prevent many high-skilled individuals, most notably women, from reaping the rewards that should accrue to them. But underuse of skills is visible in many countries, and not just for women. It is also common among young and foreign-born workers and among people employed in small enterprises, in part-time jobs or on temporary contracts.
To do better, countries need more coherent, easy-to-understand certifications that aren’t just about degrees, but also incorporate formal and informal learning in life. Where people lack skills, countries need better policies that incentivise employees and employers to invest in developing relevant skills.

Countries also need to better integrate the world of learning and the world of work. Work-based learning allows people to develop hard skills on modern equipment and soft skills, such as teamwork or negotiation in a real-world environment. It’s often also a great way to re-engage youth who have lost interest in education. And countries need experts with the latest labour-market intelligence at their fingertips, who guide people to make sound career choices.

6. Skills must become everybody’s business

None of this is going to work unless skills become everybody’s business; unless governments provide education that offers the right skills and makes learning available to all; unless employers and trade unions’ greater investment in learning translate into better-quality jobs and higher salaries; and unless we all take more responsibility for our learning and make better use of learning opportunities.

None of that is easy, but global comparisons like the Survey of Adult Skills show everyone what’s possible. They take away excuses from those who are complacent. And they help set meaningful targets in terms of measurable goals achieved by the world’s most effective policies.

Andreas Schleicher is the deputy director for education and skills, and special adviser on education policy to the OECD’s secretary-general
Spending on education in Europe is an investment, not a cost

Xavier Prats Monné

It is in these times of fiscal constraints that we should bear in mind a simple truth: the cost of a poor education is unaffordable

The crisis should not distract us from the urgent need to reform Europe’s education systems. International trends in education show that globalisation and technology have no respect for traditions or reputation: the massive increase in the global supply of highly skilled people over the past decade, and more focused investment on quality and access to education by emerging economies, has put Europe to the test.

1. Spending on education is an investment in the future, not a cost

In the first years of the crisis, the education sector was largely spared from budget cuts – but more recent data from the Commission’s Eurydice network show that a significant number of EU countries have reduced education expenditure. Yet effective education systems depend on appropriate funding, and while it is indeed a challenge to consolidate public budgets and maintain investment in growth-enhancing policies, the low or decreasing level of investment in education is a source of concern.

Of course the mission of education is not to feed the labour market but to transform an empty mind into an open one, to enhance active citizenship, and to help personal development. But an open mind does not need to be unemployed: against the backdrop of slow economic growth and an ageing and shrinking workforce, the most pressing challenge for Europe is to address the needs of the knowledge economy and focus on solutions to extraordinary levels of youth unemployment. And in this respect, the potential contribution of education systems to Europe’s prosperity remains under-exploited.

We know that a knowledge-based economy needs high skills, and that it is the use and exchange of technologies, not just their invention, that are now recognised as drivers of productivity and growth. So what matters are the dynamics of complex, interconnected systems of institutions and people under conditions of uncertainty: this uncertain nature of what constitutes knowledge, and of how it adds value in complex networks, poses a great challenge for policy, and raises hard questions about the role of universities.

2. EU policies and financial instruments can help

While the main responsibility for education rests at national and regional level, these challenges and the ambitious reforms they require call for a strong response from both the EU and its Member countries. EU policies and financial instruments can help by providing guidance and incentives for modernisation and internationalisation strategies: to increase the attractiveness of European education systems by improving quality and transparency, and to increase cooperation for innovation and development through partnerships, dialogue and capacity building.
3. Funding education, training, youth and sports
On funding, Erasmus+, the new single programme for EU cooperation and mobility in education, training, youth and sports for 2014-2020, demonstrates the Union’s commitment to education even in times of overall budget constraints: the budget for the new programme will increase by approximately 40%, to €14.7 billion for the seven years. Our task will be to make sure that these funds have systemic impact, and this will only happen if countries design a strategy for education with clear, concrete and measurable targets, milestones for each education level and age-group; and time-frames for implementation, with tools for monitoring progress.

4. The European Alliance for Apprenticeships
On policy, EU cooperation has already enhanced comparability and exchange among universities. Vocational education and training, and especially apprenticeships, boost youth employability and should also be significantly reinforced in vocational programmes. The Commission launched last year the European Alliance for Apprenticeships, aiming at strengthening the quality, supply and image of apprenticeships and vocational education across Member States. This will offer opportunities for young people to acquire the skills they need for today’s jobs, and will thus contribute to fighting the current unacceptable levels of youth unemployment.

5. Improving ICTs at all levels of education
Technology is also a key driver of innovation in education: this is why, in September last year, the Commission present an initiative, Opening up Education, to provide guidance for a better use of ICTs at all levels of education.

6. The cost of a poor education is unaffordable
It is in these times of fiscal constraints that we should bear in mind a simple truth: the cost of a poor education is unaffordable. If we are to tackle the many social, environmental challenges, we need to know more about the world, our relationship with it and with one-another. So there will be strong demand for education and research. More importantly, education institutions have a great potential to create public goods, social value and social entrepreneurship: this is in the end what will save them; and meeting global challenges requires going beyond the straightjacket of individual or national self-interest.

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Understanding the shifting skills landscape

Pam Tatlow

Effective policymaking on skills formation will require government, schools, colleges and universities to collaborate and critically evaluate whether they are fit for purpose.

From Plutarch to Thomas Moore to the political leaders of today, in countries across the world, the relationship between education, schools and the labour market has been the subject of much debate and disagreement. In this heady mix, the views of employers and educationalists, be they in schools, colleges or universities, do not always align. The former sometimes complain of the lack of workers with specific skills or qualifications. The latter see part of their mission as educating their students for the future and sometimes assert that focusing courses on ‘business’ only serves to promote utilitarianism and undermine the true purpose of education. In reality, there has often been far more collaboration and innovation than either side sometimes cares to admit or UK politicians recognise. Governments both at Westminster and in the devolved administrations have sought to ensure that education and qualifications enhance outcomes for individuals and for civic society, and add value in terms of the UK’s global competitiveness. Policymakers interested in improving human capital formation and investment should consider the following:

1. Understand the skills landscape
In November 2013 the ONS revealed that 12 million people (or 38%) of the UK’s working age population have degrees. This figure rises to 60% in Inner London and has increased from 17% in 1992. In many ways, this is a staggering achievement and a great success story which should have been celebrated by Ministers - especially since graduate employment and wage outcomes have remained better than non-graduates. According to the ONS, there is also evidence that the number of graduates in ‘non-graduate’ jobs has risen from 37% in April to June 2001 to 47% in April to June 2013. This needs to be treated with some caution. The classifications of ‘non-graduate’ jobs have not kept pace with current job requirements or the expanding interest in start-ups. Arguably of much greater concern is the fact that there are as many young people with Level 2 qualifications (GSCE with grades C-A* or equivalent) and below as have degrees.

2. Reframe the definitions of skills shortages
For a wide variety of reasons, there is under-utilisation of the skills of some groups including NEETS, immigrants who are often under-employed, older workers and those from more disadvantaged backgrounds. One key question is the extent to which current initiatives are likely to help. Policies promoted by the Department for Education in England since 2010 have been the subject of criticism, including by employers. The valuing of some Level 2 subjects more than others (against the advice of employers with an interest in technology and design), the effective abolition of modular assessment and an insistence that knowledge and skills should be tested by an examination at the end of two years and the removal of all funding from Level 3 courses studied for the first-time by students aged over 24, are just some examples.

3. Be aware of the growing dichotomy between academic and non-academic qualifications
There is a real risk that a false dichotomy is being promoted by all parties which pitches scholarship
against skills and vocational education and qualifications against academic qualifications as if the latter were never vocational or related to the development of employability, professional and technical skills and competences. Apprenticeships are counterpoised to higher education. Narrow definitions of excellence are applied to higher education, not helped by a chronic failure to recognise the innovative courses, programmes and translational research of modern universities which have long traditions of working with employers.

4. Reductions in local authority spending will heighten skills shortages
There is also the historic and long-term problem in the UK of employer under-investment in training and skills – a problem which will be exacerbated by reductions in local authority spending and an NHS re-organisation which affects education and training budgets.

5. Collaboration is key to a future skills agenda
Much has been said about the knowledge economy. Perhaps we should refocus on the know-how economy and concede that we have no idea what jobs will be required in five, let alone 15, years’ time. This means that the future (as much of the past) will require schools, colleges and universities to collaborate – raising questions about whether the more competitive environments which have been applied to both statutory and post-secondary education are fit for purpose. At national level an agreement needs to be developed about a qualification and credit framework linked to defined attributes and not circumscribed by age. In this the CBI’s recent emphasis on soft skills is as important as the acquisition of subject knowledge.

6. Focus on life-long skill acquisition
Specific initiatives involving schools, colleges, universities, local authorities and if possible employers should focus on raising skill levels up to and beyond Level 2 with a recognition of the value of communities of learners. This means that the focus cannot be just on the young. All funding systems including those applied to higher education need to be fit for purpose – in other words fit for the flexible lifestyles and the diversity of the student and adult profile and skills base. There would be merit in revisiting the development of a 14-19 qualification.

7. Encourage employer collaboration in skills investment
The collaboration that already exists between colleges, universities and employers in course design and with the awarding bodies should be encouraged. Attempts to make some qualifications the province of a small group of universities should be consigned to the history books as a diversion. Since the policy of voluntarism has proved spectacularly unsuccessful, we should consider addressing employer under-investment in skills and training with requirements to contribute to training boards and levies associated with specific sectors. We should consider whether enough is being done at a national level to achieve equity in respect of digital access, address the significant disparities in regional investment and rationalise and review the functions of the 39 Local Enterprise Partnership Boards in England which vary in size, funding and governance.

8. Don’t ignore the evidence
Countries like Finland outperform the UK on education, skills and innovation. The reasons are pretty straightforward. There is less income and housing inequity, a different approach to early years education, less fragmentation in the school system and the majority of research funding is devoted to translational research.

Pam Tatlow is the chief executive of million+
Taking human capital seriously

Emran Mian

Governments and private investors are now adept at long-term planning for capital investment in physical infrastructure. By contrast, the future of human capital investment is highly uncertain.

The Office for National Statistics in the UK estimated the value of the country’s human capital in 2010. Since then, they have consulted on the methodology and recognise that the estimate can be improved. The size of the estimate is startling: £17.12tn, or two and a half times the value of the country’s physical assets. Incidentally the revisions to the methodology will probably mean that the estimate increases.

I mention the physical assets by way of comparison because the UK Government, since 2010, has produced an annual plan for national infrastructure. The publication has marked a change of approach; after a spending review which cut capital investment as well as current spending, every budget statement since then has earmarked new public money for capital investment. One of the objectives of the plan is to advertise for private investment the infrastructure projects in the pipeline. The exhortation seems to be working. The latest version of the plan, released in December 2013, reported that insurers were putting aside £25bn for infrastructure investment in the UK. My question is: can we take the same approach for human capital too?

The context for investment in either form of capital is similar. The UK has very low productivity growth even though it’s recovering from a deep recession. The latest figures for Q2 in 2013 suggest that growth is as low as 0.5%. Capital investment can increase the productive potential of the economy, whether that is by allowing goods to travel faster from one point to another (the case for investing in physical capital such as roads or rail) or by increasing the output of each worker (the case for investing in human capital).

There is a role for government here. There always will be for goods where a significant proportion of the benefits are public rather than exclusively private, where investment without government intervention might be sub-optimal, and where government can secure coordination between private actors whose interests might not otherwise align. Government’s role has a special context right now, when business investment as a whole is down 5% in 2013. The features of taking human capital seriously might include:

1. Establishing stable long-term investment intentions

It’s striking, for example, that the UK Government has published “a pipeline of public investment in infrastructure worth over £100 billion to 2020”. That’s five years further out than its plans for other public spending. Private investors adopt a similar, if not longer, horizon for such capital investment. The UK Government has also suggested that future public investment in infrastructure will rise in line with GDP.

By contrast, the future of human capital investment is highly uncertain. The schools budget is ring-fenced until 2015-16; we don’t know what happens next. Funding for adult skills is likely to
come under very serious pressure as it’s a component of the unprotected budget of the business department. The outlook for higher education has improved at December’s Autumn Statement, with a new policy commitment to there being no cap on student numbers. But numbers of mature students are in decline and unlikely to recover without remedial action. A lot could be achieved by establishing longer term plans.

2. Providing incentives for investment
While UK business may be due some criticism for its record of investment in human capital, there is still very little systematic thought given to whether the incentives can be sharpened.

At the very least, we should appreciate that when business invests in human capital, the returns are uncertain. The person who benefits from the investment is not owned by the business in the way that an element of physical capital is owned and fully under the investor’s control. And yet, while investment in physical and intellectual capital has been boosted in recent years by special allowances and tax credits, there have not been equivalent moves to strength the case for human capital investment.

3. Identifying and resolving coordination problems
At a high level, the national infrastructure plan does exactly this. It identifies the pipeline of projects, prioritises among them, and recognises where government may need to take policy action in order to get the projects moving. This can work to accelerate not only the projects where government is providing the investment, but also to give private investors the confidence to step in.

In the realm of human capital, the gains are likely to be similar. For example, businesses often observe that adult skills provision is marked by complexity and bureaucracy, public bodies some distance from the labour market are trying to define what skills would be useful in the workplace. What businesses want is greater direction over the content of skills programmes. The role for government is to judge how to give this to them while retaining the wider public benefits. An annual human capital plan would force that judgement to be made, then updated each year, and communicated to the potential co-investors.

Emran Mian is director of the Social Market Foundation
Pre-distribution, education and human capital

Patrick Diamond

Rising inequality and lower earnings mobility are unlikely to be addressed without more effective intervention that boosts the relative position of children and young people from low income households

The evolving body of work around the concept of ‘pre-distribution’ has framed an important debate about the strategic role of government in promoting social justice. In the literature on pre-distribution, the state is envisaged less as a mechanism for compensating individuals for disadvantage that has already occurred, and more as a means of limiting the damage inflicted by markets using instruments of anticipatory intervention. Pre-distribution, as its originator Professor Jacob Hacker from Yale University attests, involves: ‘A focus on market outcomes that encourage a more equal distribution of economic power and rewards even before government collects taxes or pays out benefits’.

But the pre-distribution agenda is not limited merely to reducing poverty and social disadvantage: the test for a pre-distribution strategy is whether it can reverse what the Canadian economist, Miles Corak, refers to as ‘The Great Gatsby curve’ (2013): the tendency in industrialised societies for a child’s life-chances to be determined by their parents’ material circumstances. More unequal societies, according to Corak, are less likely to be characterised by high levels of inter-generational mobility. The purpose of adapting the role of the state from ‘remedial’ compensatory approaches to a pre-emptive strategy of social investment in the human capital of disadvantaged groups is to get social mobility flowing again. This necessitates a fundamental shift combining income redistribution with pro-active investment in human and social capital throughout the life-course.

Moreover, such strategies underline the vital importance of education policy, in particular measures that are designed to shift the balance of human capital acquisition towards children from the most disadvantaged households. It is extraordinary that education policy appears to have slipped down the UK political agenda in recent years. In Britain, the education reforms undertaken by the Blair and Brown governments were politically controversial, leading to internal divisions within the Labour party. Moreover, the simplistic claim that education policy was the only effective lever available to off-set the inequalities generated by globalisation was increasingly problematic. Rising public investment in education and skills had not stemmed the tide of social and economic inequality in industrialised countries. Tony Blair’s declaration in the 1990s that his three priorities for government would be ‘education, education, education’ is not matched today by any of the major political parties today.

Of course, the politics of ‘pro-social’ investment in education, pre-school care, family support, and adult skills is seldom straightforward. Many voters do not have children, and might resent extra support being given to families in an era of belt-tightening and austerity. In the New Labour years, low income adults in households without children fared poorly in relation to poverty alleviation. Furthermore, in public attitude surveys, education, early intervention and childcare do not register as major issues of concern for most voters; comparative data suggests that in many European countries, voters are more concerned about ‘old’ social risks such as unemployment, pension adequacy, and fear of losing their home. Many welfare systems are characterised by a growing ‘elderly bias’ given the ageing population in most
The nature of inequality

In the debate about what determines economic inequality, various factors are invariably cited in a burgeoning literature. Rising immigration is one driver. Declining rates of unionisation is another. Both are believed to have weakened the bargaining power of lower skilled workers, alongside the fall in the relative value of the national minimum wage. Another factor is the growth of international trade and the globalisation of labour, product and capital markets since the 1980s: as the balance of economic advantage shifts to the east, many jobs in the west become uncompetitive or obsolete. Each of these explanations has received considerable attention from politicians and policy-makers. This is hardly surprising since there is evidence that these factors have each contributed to rising inequality of primary incomes in countries such as the United States and the United Kingdom.

According to research presented by Professor Alan Krueger, one of President Obama’s economic advisers, the most important driver of economic inequality is still ‘skill-biased’ technological change, as table 1 below makes clear. This increases the number of relatively skilled jobs at the top of the labour market, while skewing the wage distribution towards those with the highest levels of human capital. There is considerable debate within the economics profession about the impact of technological change, but it is unquestionably a potent driver of inequality mediated by education and skills. The OECD have recently predicted that jobs requiring ‘highly educated workers’ will rise by 20 per cent in the next decade, whereas low skilled jobs are likely to fall more than 10 per cent.

Moreover, low skilled workers are increasingly vulnerable from the threat of redundancy and unemployment in a period of ongoing economic restructuring. In the EU28 countries, 84% of working age adults with ‘higher’ (tertiary level) skills are currently working compared to less than half of those with low skills. Downward pressure on wages and fear of unemployment is leading to heightened economic insecurity for those on lower and middle incomes. Across the OECD, median income households have experienced a much sharper decline in incomes than was the case thirty years ago.

Educational performance in the UK

The recent OECD report comparing educational performance between countries ought to have been a wake-up call for UK policy-makers. According to the organisation: ‘England is the only country in the world where the generation approaching retirement is more literate and numerate than the youngest’ (OECD, 2013). Out of 24 industrialised countries, English 16-24 year olds rank 22nd in literacy and 21st in numeracy. More worryingly still, young people in England have among the lowest levels of proficiency in Information and Communications Technology (ICT). As a consequence, ‘The talent pool of highly skilled adults in England and Northern Ireland is likely to shrink relative to other countries’ (OECD, 2013).

It is striking that the report has been largely ignored by each of the political parties. The Conservatives sought to blame the previous Labour administration for the UK’s comparative weakness in school attainment, but the Coalition government appears to have no credible agenda for addressing the central driver of low performance – too many pupils from low income households are only able to access ‘low-performing’ schools (Allen & Burgess, 2011). Moreover, Labour has been oddly reticent about the OECD’s findings, presumably because the report emphasises the need for further bold reforms of the English school system.
The pre-distribution agenda
Policy-makers have understandably focused on the role that formal educational institutions, most importantly schools, play in addressing the educational challenge underlined by the OECD report. The debate about how schools are organised so as to maximise the potential for continuous educational improvement remains important. However, it ought to be remembered that most learning occurs outside school, particularly the crucial first four years of life which set the framework for later human capital acquisition. Research by Dearden et al. (2009) shows that by the age of three, a 23 per cent gap in cognitive outcomes has opened up between children from the richest and poorest households.

According to Professor Anne West (2009) of the LSE, ‘There is an achievement gap between children from poor family backgrounds and others. This is not unique to the UK, but found in all countries of the OECD.’ A combination of ‘monetary’ and ‘non-monetary’ variables – the quality of the home-learning environment, family background, parental education, resources within the household – are all crucial factors in explaining these differences. This poses a key challenge for policy-makers who want to make the initial distribution of endowments fairer in accordance with the key tenets of pre-distribution theory.

Capability and character
The research underlines that parental ‘confidence’ and peer effects have a crucial impact on children’s life-chances. Traditionally, policy has tended to emphasise the importance of formal institutions, understating the role paid by informal networks, including family and friends, on children’s outcomes. Predistribution is not only concerned with economic reforms alongside investment in the education and skills system, but with reinforcing the capabilities, resilience, and well-being of individuals, especially the most disadvantaged giving them more power in relation to the market (Ussher, 2012). It is essential to focus support on the most deprived households where parents are more likely to be ‘disengaged’: the impact of child poverty is mediated by the reduced availability of parental resources. Low aspirations are a further critical factor in structural disadvantage: there is evidence that parents in low income households have lower ‘self-efficacy’ – in other words, less self-confidence and belief in their own capabilities. Recent research has focused on the importance of ‘character’ in shaping cognitive outcomes: character alludes to the individual’s ability to exhibit drive, agency and determination, all attributes of later success in life (Lexmond & Reeves, 2009).
Policy implications

As such, this article makes the argument that a credible pre-distribution strategy should focus on boosting the education, skills and human capital of the entire population, especially the most disadvantaged groups. The key insight for policy-makers is that what occurs outside formal institutions through the home environment, with parents, and among peers is as significant as what takes place in schools and learning institutions, although the two are often self-reinforcing. In that context, the following policy measures ought to be pursued:

• Refocus early intervention strategies: additional interventions in the early years have been a priority for policy-makers across the political spectrum, although there is some evidence that investment in Sure Start has been cut back since 2010-11. Although the previous Labour administration invested heavily in nursery provision, the early years never received the concerted attention given to schools and the NHS. Childcare is now more expensive in the UK than most comparable economies; there are growing concerns about the adequacy of coverage, ‘postcode lotteries’; and lower quality. As a consequence, the UK has a relatively low rate of female employment, ranking 15th in the OECD. There are two crucial aspects of the policy that should not be allowed to slip off the agenda. The first is to ensure that resources and infrastructure are weighted towards the most disadvantaged groups within a universal model. Second, at its inception Sure Start was strongly orientated towards parental involvement, not only in the settings themselves, but in the management and governance of Sure Start centres. This dimension of parental empowerment has been weakened, and ought to be re-activated.

• Boost parenting support: in a challenging economic environment with a number of pervasive social stress factors, parents need effective support. Mentoring has proven beneficial effects, where more experienced parents support those facing difficulties. Formal parenting programmes can be useful, but often more informal support built around Sure Start, early years’ provision, and schools and youth centres is necessary. Initiatives such as Nurse-Family Partnerships where nurses support parents in disadvantaged households from the pre-natal stage through to early childhood are crucial too.

• Improve the quality of parenting: there is an extensive public policy literature on the potential of behavioural change strategies to improve outcomes. How parents interact with their children can have a significant impact on later achievement. For example, parents who regularly read to their children significantly improve their cognitive outcomes; responding appropriately to misbehaviour can also help to prevent later conduct disorders (Dearden et. al, 2009). It is important to remember that parenting is not always provided by biological parents, but a range of care-givers, including grandparents and family friends.

• Parental responsibilities: parents have the right to support and to be able to access state-funded services, but parents also have reciprocal obligations including ensuring good school attendance and behaviour. Where responsibilities are breached, mechanisms such as home-school contracts and parenting orders might be necessary to ensure that the underlying causes of negative behaviour are addressed.

• Extend the ‘pupil premium’ and reform the system of school choice: the pupil premium in England has provided schools who accept pupils from disadvantaged households with an additional £900 per child in 2013-14. Nonetheless, the evidence is that children from low income households continue
to access the most poorly performing schools (Allen & Burgess, 2011). This needs to be addressed by boosting the premium available for pupils from disadvantaged backgrounds, while opening up the school selection process to avoid residential segregation. At the same time, highly performing schools need additional incentives to expand.

**• Promote multi-agency working across public services:** improving the situation facing the most disadvantaged children and young people requires not only input from schools and Sure Start centres, but all public services locally and nationally. The impact of health inequalities on human capital acquisition and relative social mobility, for example, is now well documented. In New York, a hub ‘children’s zone’ model has been used to provide intensive support to disadvantaged families in low income neighbourhoods.

Moreover, expanding social investment to focus on pupils from income households will reap long-term rewards. For example, the Institute for Public Policy Research (IPPR) estimate that universal, affordable childcare will boost the female employment rate and government tax revenues: an initial, up-front investment achieves average returns of £20,050 over four years. Future governments will, nevertheless, have to demonstrate how this is to be paid for. IPPR propose to rationalise tax credits and childcare subsidies into increased supply-side funding for early years’ provision. Alternative options include rationalising benefits to relatively well-off pensioners such as free travel and the Winter Fuel Allowance, as well as taxing capital, property, wealth and inheritance more efficiently: for example, a lifetime gifts tax could raise £1 billion; abolishing higher rate tax relief on pensions would generate a further £7 billion; a property-based ‘mansion tax’ could raise a further £3 billion for the UK Exchequer.

Raising the burden of taxation is never popular, but two principles ought to be enunciated in the ensuing public debate. Firstly, additional ‘wealth’ taxes ought to be ‘hypothecated’: pooled into a specific fund designed to off-set adverse ‘social inheritance’, boosting opportunities for those from disadvantaged backgrounds. Secondly, the better-off older generations acknowledge that younger people and families increasingly need support: modest tax rises and benefit rationalisation is necessary to ensure inter-generational reciprocity.

**Improving outcomes through pre-distribution**

Early intervention, family support and education are not a solution to every social and economic problem. Nonetheless, it is difficult to imagine that rising inequality and lower earnings mobility can be addressed without more effective intervention that boosts the relative position of children and young people from low income households. Until recently, this dimension has been missing from much of the literature on ‘pre-distribution’. It is vital to fully integrate the social investment approach into future strategies designed to improve pre-distributive outcomes in the UK and beyond.

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World class universities and the public interest

Ellen Hazelkorn

The distribution of research funding and the new HE funding model have widened the privilege gap, not just affecting institutions and their students but undermining the cities and regions in which they reside

The acceleration of globalisation and the intensity of the economic crisis have focused attention on strategies for growing knowledge-intensive industries and investment in knowledge-based and intellectual assets. In this context, the quality, performance and status of higher education have become signals of global competitiveness and a beacon for mobile capital and talent. Universities are measured according to indicators in which comparative and competitive advantages come into play. This helps explain why global rankings have assumed such significance in recent years. Indeed, their significance today is less about informing student choice than the geo-political positioning of nations.

As the reputation arms-race heats up, it is becoming increasingly evident that no government will be able to afford all the higher education that its citizens demand or society requires. Usher argues that the maximum point of public investment in higher education was reached by 2009. The global financial crisis is only phase one of the problem; long-term, there are significant demographic and sustainability issues at play. Recent years have seen some nations able to invest very heavily while others have been reducing or re-directing resources. As we seek to compete in this resource-intensive race a number of important questions confront us: what are the wider implications for our model of mass publicly-funded higher education? Should resources be directed to a few universities to help them perform best against rankings or should national policy ensure resources meet the needs of the wider society? What are trade-offs between public policy and private good, and between institutional ambition and system coherence? Three points should be considered in answering these questions:

1. Redistribute research funding to lessen the privilege gap between students, institutions, cities and regions

“Being” or “becoming” world class now drives many national strategies. The concept of “world-class” is based on an extrapolation of characteristics of the top 100 universities. It encourages an interpretation that by concentrating resources in a few elite universities and a few key disciplines, universities can climb higher in global rankings and their host nation can gain perceived benefits for citizens. The story is not so simple.

For a start, the (social) cost exceeds most national budgets. Crude estimates put the annual budget per world-class university at approx. $2bn. Even for wealthy countries, this strategy would require diverting limited resources to few institutions effectively robbing from the poor to pay the rich – dubbed the “Sheriff of Nottingham” model. Moreover, the pervasiveness of focusing on the top 100 – with indicators which disproportionately emphasise research – undermines the wider role and responsibilities of higher education. Rankings encourage prestige-seeking by being more selective: focusing on high-achievers who bring in revenue and aid performance indicators; limiting class/cohort size; shifting from needs-based to merit scholarships. As this happens, there is growing

evidence of increasing stratification within the system; the issue is not simply about widening participation but “who gets what”.

For a while, commentators have been saying that concentrating resources and research activity in a few places is at best counter-productive and at worst could undermine national economic capacity. Thus, it is not obvious that the elite model of knowledge creation can create sufficient exploitable patentable knowledge useful for society. Recent evidence also shows how the distribution of research funding and the new HE funding model have widened the privilege gap, not just affecting institutions and their students but undermining the cities and regions in which they reside.

Ironically, at a time when higher education is in greatest demand and governments struggle to fund all societal needs, there is an increasing focus on the resource-intensive “world-class university”. This is not an argument against competing or participating in world science. However, we seem, perhaps unwittingly, to be acclaiming a model of university disconnected from the nation-state or committed to its region as it concentrates on diversifying and privatizing its funding base, recruiting talent internationally and engaging globally.

2. Encourage collaboration between institutions to establish a world-class system

As the distribution of economic activity has gone global, city-regions now compete on a global terrain. Competitive advantage is built through developing clusters of activity which are able to build capacity beyond individual capability. Innovation derives from interdisciplinary, collaborative solutions and interactions between networks of different actors. This requires a greater diversity of educational and research opportunities and perspectives – and people to work in jobs we don’t yet know about. This also necessitates people who can think outside-the-box, and whose contribution to creating, applying and sharing knowledge ill-fits the type of metrics promulgated by global rankings. It also challenges the inflated importance of the single world-class or flagship-university as the “entrepreneurial” engine of a national or regional economy.

In this context, higher education must rethink its own role and responsibilities. It should commit to making a multifaceted contribution to society and the economy, by engaging in learning beyond the campus walls, discovery which is useful beyond the academic community, and service that directly benefits the public. This involves individual institutions achieving some form of unique leadership based upon their particular mission and expertise. The concept of the “Civic University” describes mutually beneficial engagement that promotes and embeds partnerships with the community, industry and government, in the co-production of knowledge, because complex problems require collaborative solutions.

Government should look to establish collaborative clusters of institutions working together to make the system-as-a-whole world-class. This approach recognises the contribution and collective benefits of diverse approaches to teaching and learning, discovery and research, and innovation and engagement – involving all disciplines across the entire innovation spectrum. Rather than looking at the tertiary system “simply as a mechanism for churning out a handful of elites and perpetuating social inequality…” what matters is how governments prioritise skilled labour force, equity, regional growth, better citizens, future Einsteins and global competitiveness, and translate them into policy. After all, a world class system is not simply the aggregate of world-class universities.

3. Don’t let the global reputation race be the driving purpose

During 1980s, Ronald Reagan, then US President, promulgated a strategy for economic growth...
based on cutting the top tax bracket from 70% to 50% and then to 28%. “Trickle down” economics or “Reaganomics” argued that putting more money in the hands of the elite would create more jobs and lessen inequality. International evidence, however, shows the results have been the opposite of the one predicted. Is there a lesson for us today?

Higher education is part of wider geo-political struggle in which nations struggle for a greater share of the global market. Many of the reforms being pursued are necessary and inevitable – and arguably late in coming. However, at a time of growing demand by society: Is higher education being transformed into a private self-serving entity less engaged or committed to its nation/region as it pursues its world-class position? Has the public’s interest become confused with private interest?

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Universities are a great civic force. They must be at the forefront of developing smart skills for the next generation of global citizens - a mix of psychology, general intellectual capital, cultural understanding and analytical know-how.

The great actors of UK public life – the press, churches, political parties and Parliament – have all faced their moments of crisis over recent years. A loss of trust, a reticence to reform, a failure to be relevant and reflect modern society, and a commonalty in looking much the same at the turn of the twentieth century as they did at the turn of the nineteenth century.

As another great civic force, universities face similar challenges. Yet we are one of the few actors that makes a difference, and has connections, across all sectors. We are economic powers, we are intellectual institutions, and we find a place between state, scholar and society. We must build on these strengths, but recognise that we need to do more, with a renewed focus on the value and experience of students whilst they are with us.

1. Smart skills for global citizens

The main challenge for vice chancellors – and for universities as a whole – is huge, yet simple. There must be no doubt in our students’ minds that the time they spend with us is the best, the only, route to grow as a citizen. It is that time with us that gives them the advantage in gaining the smart skills and tools needed to make the maximum contribution to society.

Our new fees and funding dynamic is a factor in this emphasis. However it mustn’t be a simple customer-product relationship. The student fee is the entry requirement for joining a community. By becoming a full partner in that community, the student should share an experience that enriches, stretches and develops them in a way that no other experience can. That ‘social contract’ must nurture a democratic citizenship, academic capacity and contribution to society. It is these values, and the skills that underpin them, that will ensure that our main contribution to society – our graduates – remain relevant to meeting national and global challenges.

And it’s not just their academic discipline. As Tyler Cowen (George Mason University and Marginal Revolution) states, it’s the ability to manipulate, analyse and use information, intelligence and data that will set apart the workers of the future. Universities must be the crucible for developing these smart skills. The ability to be enterprising - formed by being able to understand human behaviour, have confidence in analysing and using information, and a recognition and understanding of different cultures, markets and motivations.

These smart skills - a mix of psychology, general intellectual capital, cultural understanding and analytical know-how – are the tools for twenty first century citizens.

It’s one of the reasons that I’ve prioritised outward mobility as part of the student experience at Bedfordshire. This summer for the first time, 150 of our ‘home’ students visited China for a Summer School, which will develop into the largest such UK-China university cultural exchange.
2. Time for student number deregulation

We have become accustomed in recent years to describing the higher education environment in England as “competitive” and a “market”. However, the only aspect of the student “market” that is deregulated and open to full competition is those students that achieve ABB and above at A Level or equivalent.

This artificial limit contributes to the unfortunate impression that it’s only universities which exclusively recruit at ABB or above that matter, further polarising the sector and the choices made by students at both sixteen, and then again when applying for university. Let alone the skills challenge that the UK faces.

The Employment and Skills Commission says that over half of new jobs will be in occupations that require degree level qualifications. Across the world, particularly in the BRIC countries, we are seeing an explosion in demand for higher education.

And we won’t stay with the leading pack, or take our place at the front, if we focus solely on ABB students – quite apart from the fact that A Levels are not a definitive indicator of degree potential.

At modern universities such as Bedfordshire, we do recruit students at ABB and equivalent – and at Bedfordshire we recruited more than ever this year - but we also excel through innovative education and research at unlocking students’ potential whatever A Level grades they start with.

But restricting the liberalisation of student numbers to ABB and above runs counter to recognising the national importance of diverse student communities and their future contribution to the workforce.

Therefore, the logical conclusion is that full-time student numbers should be completely liberalised. The onus would then be on universities to compete on areas such as teaching quality; contact hours; extra and co-curricular offers which enhance employability and entrepreneurial skills; and the development of students as global citizens through opportunities such as overseas summer schools.

From my time in Government, and equally for David Willetts and Vince Cable, I know that the Treasury will have concerns on predictability and affordability. But we know and are able to predict the number of A Level and equivalent students each year – in fact the number of AAB students in England last year fell below predictions.

3. Technology and the use of time and space

The UK enjoys an established global reputation for the quality and consistency of our higher education offer. However, the consistency in our teaching and delivery methods runs the risk of being analogue in a digital world.

For many the answer is the MOOC (massive open online courses). They have their place, but if we just replicate the current lecture hall experience, but do so remotely, then we will have missed a trick.

We need to use make more use of technology, but in a way that it gives us more space and time to enhance the learning experience. The time that is no longer set aside for a nineteenth century model
of lectures, should be used for building networks, bringing fresh perspectives onto campus, new opportunities for peer assisted learning and so on.

It is in that space and time that we enhance the university community. Bringing in figures from industry (and getting students out to them), an emphasis on interdisciplinary opportunities, and developing those ‘smart skills’.

Bill Rammell is vice-chancellor of the University of Bedfordshire and a former Labour MP
Creating an environment for world class wealth creators and innovators

Wendy Piatt

If the UK’s world-class universities don’t get the support they need there is a real danger that overseas universities will step into the funding void

The role of education in ensuring the UK remains globally competitive is vitally important and the UK’s leading universities are among the best in the world on most indicators. UK universities do crucial work educating the citizens of the future by instilling in them the skills they need to be the wealth creators and innovators of tomorrow. They are engine rooms for inventions and innovations which impact hugely on the economy and wider society, and are a place where crucial links are made with business and the private sector.

Universities are no ivory towers but rather work hand in glove with businesses; they contribute £30 billion a year to the UK economy, are responsible for supporting 270,000 jobs UK-wide and are a major UK export industry, with overseas earnings of around £3.5 billion a year.

University research does not only benefit the economy – however important that may be at the current time. Research, in its many guises, can transform our lives and reach areas we may never have thought of. The combination of teaching and research excellence in our universities creates the ideal learning environment. Our students work with their field’s leading experts, have access to first-rate libraries and facilities, are part of a highly motivated and talented peer group and often engage in research processes.

So how can universities help the UK remain competitive and stimulate economic growth? What is the environment that will allow them to flourish?

1. World-class universities need support

Our global competitors are pumping billions into higher education and snapping at our heels. In the US, East Asia and Europe, money is being poured into higher education - and money really matters. The UK already spends a lower proportion of GDP on higher education than our rivals and our universities are already doing more with less. If our world-class universities don’t get the support they need there is a real danger that overseas universities will not only equal us but will overtake us.

2. It is important that in these straitened times the Government does not make cuts or spread limited funds too thinly

Our competitors are concentrating funding on their leading universities rather than spreading funds too thinly across too many institutions. As a result, they are seeing the benefits in performance. Our world-class universities, with their heavy concentration of brainpower, established excellence, and the sheer numbers and facilities to achieve global impact, are best placed to attract investment by leading global companies and they have the critical mass of talent, resources and infrastructure. It clearly is not sustainable for any government to fund all universities at the same level.– Moreover, diversity within a higher education sector is a strength. We need a range of higher education institutions to suit the many and varied skills and needs of students.
3. Good higher education needs proper funding to be sustainable
Given the benefits most graduates gain from their degrees it is fair for them, as well as the taxpayer, to contribute towards the costs, when they can afford to do so. Public investment in student loans, and grants for students from poorer families, ensures that the benefits of higher education are available to those with the greatest potential to benefit from it, regardless of their background. The far-reaching cuts to university funding in England in recent years mean higher graduate contributions are the fairest and only viable way forward. But at a time of severely constrained public funding the total number of undergraduate places should not be maintained or increased at the expense of quality in higher education. Government investment must be used wisely - high-cost subjects like sciences and engineering are vitally important to the economy and are already under-funded.

4. The Government must make sure that the immigration rules deter the fraudsters but still welcome the brightest and the best
Russell Group universities are global businesses competing for staff and students with the best in the world. Excellent international students are indispensable for world-class universities and a thriving society, culture and economy. Exceptionally talented scientists and researchers make a vital contribution to our academic and economic life. Today’s junior researchers could be tomorrow’s Nobel prize-winners like Andre Geim or Konstantin Novoselov.

5. Autonomy is crucial – and the UK would benefit from introducing a much lighter-touch, risk-based regulatory regime
As the World Bank observed in 2009, autonomy is a characteristic of world-class universities. It is no accident that the most successful countries for higher education, the US and UK, are those that give their universities the greatest freedom. Autonomy in governance, recruitment, academic and financial affairs enables good universities to manage their resources more effectively and efficiently. Regulation of universities should be lighter-touch and more targeted and strategic so that it focuses more on the institutions which pose the greatest risks.

6. Postgraduate students are essential to a successful knowledge economy and the future academic workforce
Postgraduates are economically important and postgraduate research students should be of concern to everybody. They are vital to the UK economy, to driving growth and innovation and tackling major business challenges. The UK’s ability to provide enough people skilled to this high level is an important factor in attracting global investors to locate high-value businesses here.

7. The Government should focus on the root cause of the under-representation of students from disadvantaged backgrounds to help universities in their attempts to find the best candidates from all backgrounds
We fully recognise poorer students are not as well-represented as their middle-class peers within our universities. But the key reason why too few students from disadvantaged backgrounds even apply to leading universities is that they are not achieving the right grades in the right subjects at school. Universities can and do help. We actively seek to persuade bright but disadvantaged candidates to apply. Many of our members sponsor academies, they run summer schools and taster sessions as well as a range of other outreach activities and direct work with schools such as visits for pupils and free conferences for teachers. But we simply can’t solve these problems alone.
8. Finally, universities themselves must keep innovating…
Our universities have a strong track record of promoting the innovative development of teaching and learning from specialist centres to investing in state-of-the-art facilities and supporting our academic staff to deliver excellence. We work hard to make sure our students continue to have high levels of student satisfaction and low drop-out rates. We need to continue to strive to excel in education, research and innovation and not rest on our laurels.

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